

September 29, 2025

Jabs International Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/Short-term – Fund based/Non-fund based – Pre and post-shipment credit (EPC/PCFC/FBP/FBD/ EBR)	88.0	118.0	[ICRA]A-(Stable)/[ICRA]A2+; reaffirmed and assigned for enhanced amount
Total	88.0	118.0	

*Instrument details are provided in Annexure-I

Rationale

The ratings reaffirmation favourably factors in the long experience of the promoters in the spices industry and Jabs International Private Limited's (JIPL) established market position in the spices export market, a wide product portfolio, and a diversified global clientele. The ratings also consider JIPL's established customer base and long relationship with its key customers, which ensures repeat orders and reflects good product quality. Adherence to high quality standards also supports the ratings. ICRA also notes the strong credit profile of the customers, limiting the counterparty credit risk. The company's financial risk profile remains comfortable, as reflected by a conservative capital structure on the back of a sizeable net worth base and no term debt, and healthy debt coverage indicators. JIPL's top line in FY2025 witnessed a decline of around 3%, driven by decrease in sales volume. However, the operating profit margin (OPM) improved by around 140 basis points (bps), mainly due to improved realisation of spices and efficiency in raw material procurement. The company derived around 15% of its total revenues and around 20% of its total exports from the US. ICRA expects the company's financial profile to continue to remain favourable, given that the company has already achieved revenue of around Rs. 480 crore in 5M FY2026.

The ratings, however, remain constrained by the limited value addition involved in its operations, which along with intense competition in the spice processing industry, tempers its margins and pricing flexibility. Being a net exporter, the profitability is exposed to significant foreign exchange (forex) risks as well though the same is mitigated to an extent given the company hedges 50-60% of its net forex exposure through forward cover. The ratings also factor in the susceptibility of the company's revenues and profitability to commodity price fluctuations, which are influenced by external factors such as agro-climatic conditions, adverse changes in Government policies related to export/import of commodities, and export incentives/duty structure, among others. Nonetheless, order-backed purchases and limited inventory holding mitigate the commodity price fluctuation risks to an extent. Imposition of an additional 50% tariff by the US Government on supply of goods from India and its resultant impact on the top line as well as profitability of the domestic exporters, including JIPL, remains a concern.

The Stable outlook reflects ICRA's expectations that JIPL would be able to maintain its business positioning while sustaining the profitability level, supported by its strong operational profile and adequate liquidity position, despite heightened competition and high working capital intensity of operations.

Key rating drivers and their description

Credit strengths

Established track record and extensive experience of promoters in spice processing industry – The company has a track record of nearly three decades in the processing and export of spices as well as other agricultural commodities. The key

promoter, Mr. Bhaskar Shah, has long experience in this field and is a prominent name in the spices industry. His experience has been instrumental in building a large clientele in international markets and forging relationships with domestic suppliers.

Diversified product portfolio – JIPL has a diversified product portfolio of spices (whole and ground) such as cumin seeds, chilli and chilli powder, pepper, sesame seeds (natural and hulled), cardamom, coriander seeds, niger seeds, almond, fennel, celery, turmeric, nutmeg, clove, chickpeas, etc., which partly protects it from large earnings volatility emanating from adverse agro-climatic conditions. Cumin seeds remain the largest revenue driver with around 23% revenue, followed by cloves and hulled sesame, contributing 7% and 6%, respectively, to the total sales in FY2025. Income from other spices accounted for less than 5% of the company's total revenues, demonstrating a diversified product profile.

Diversified client base and a wide geographical footprint – JIPL exports to nearly 50 countries, with the top 10 countries accounting for 75-80% of its total sales during the last five fiscals. Its customer base has remained diversified over the years, with 20-25% contribution from the top 10 customers.

Comfortable financial risk profile, reflected by a conservative capital structure and healthy coverage indicators – JIPL continues to maintain a conservative capital structure, as reflected by a gearing of 0.3 times and TOL/TNW of 0.4 times as on March 31, 2025, supported by a sizeable net worth base. The debt coverage metrics of the company also continue to remain healthy and demonstrated a significant improvement in FY2025, driven by the increase in the entity's profitability. The interest coverage of the entity improved to 6.1 times in FY2025 from 3.9 times in FY2024. ICRA expects the company's capital structure and debt coverage indicators to remain favourable, going forward, as the company does not have any long-term debt repayment obligation and has no significant debt-funded capex over the near-to-medium term. The company's operating income declined by around 3% on a YoY basis to Rs. 1,224.4 crore in FY2025 from Rs. 1,259.4 crore in FY2024, however, the operating profit margin (OPM) expanded by around 140 bps on a YoY basis to 4.8% in FY2025, driven by improved efficiency in raw material procurement and the overall improvement in realisation. Although some moderation in the company's revenue is expected in the current fiscal, ICRA expects the company's financial profile to continue to remain favourable, given JIPL has already achieved revenue of around Rs. 480 crore in 5M FY2026.

Credit challenges

Exposed to intense competition and modest profitability, however, profit margins improved in FY2025 – Historically, the company's operating profit margins (OPM) have remained thin, given limited value addition involved in the spice processing business. Spice processing and exports industry are highly competitive and fragmented in nature, given the limited complexity of work involved. This restricts the company's pricing power and hence profitability. While JIPL is an established player in the industry, it faces competition from other organised as well as unorganised players. However, the company has been accredited by various international agencies like the British Retail Consortium (BRC), United States Food and Drug Administration (USFDA) etc., which will help it forge long relationships with export customers, thereby mitigating the competition to an extent. The company's operating income declined by around 3% on a YoY basis to Rs. 1,224.4 crore in FY2025 from Rs. 1,259.4 crore in FY2024, however, the operating profit margin (OPM) expanded by around 140 bps on a YoY basis to 4.8% in FY2025, driven by improved efficiency in raw material procurement and the overall improvement in realisation.

Vulnerability of revenues and margins to volatility in raw material prices and foreign exchange rates – The key raw materials of the company are agricultural commodities, which exhibit high price volatility. JIPL's operations remain vulnerable to the availability of agricultural commodities and volatility in their prices, which are influenced by external factors such as climatic conditions, import volumes, demand-supply mismatch, etc. Additionally, any adverse change in the Government policies (related to exports/imports of certain commodities, export incentives/duty structure, etc.) may impact its revenue and profitability. Nonetheless, order-backed purchases and limited inventory holding mitigate the commodity price fluctuation risks to an extent. Being a net exporter, the profitability is exposed to significant foreign exchange (forex) risks as well, though the same is mitigated to an extent as the company hedges 50-60% of its net forex exposure through forward cover.

Exposed to agro-climatic and regulatory risks in the food industry – JIPL remains exposed to the agro-climatic conditions of the countries from which it procures raw materials as well as the regulatory environment related to procurement or pricing of agricultural commodities. In case of high prices, the Government restrictions limit the company’s ability to pass on the entire raw material price hike to the customers. The food industry is subject to intense regulations. As the company is present in the food sector, its quality and reputation-related risks are high. Any rapid change in regulations could have a large impact on the players operating in the industry.

Liquidity position: Adequate

JIPL’s liquidity remains adequate, characterised by free cash and bank balance of around Rs. 5 crore, as on March 31, 2025, and sufficient buffer in its working capital limits with an average utilisation of 57% in FY2025. The company’s cash flow from operations remained positive in FY2025 and ICRA expects the same to continue going forward as well, provided the working capital intensity of operations does not increase significantly. The absence of long-term debt repayment obligations, coupled with no planned debt-funded capital expenditure program in the near-to-medium term, also supports the entity’s liquidity.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if there is a significant growth in the scale of operations and an improvement in profitability, leading to improved debt coverage indicators and liquidity profile.

Negative factors – Pressure on the ratings could arise if there is a significant decline in revenues or a material contraction in the profit margins, impacting the company’s debt coverage indicators and the liquidity profile on a sustained basis. A specific credit metric that might trigger ratings downgrade includes an interest coverage below 4.0 times, on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company’s standalone financial profile

About the company

Jabs International Private Limited, incorporated in 1997, is a processor and exporter of tropical and seed spices. It is promoted by Mr. Bhaskar Shah, who has experience of more than three decades in spice exports. The company has six processing units, two each at Mundra and Unjha in Gujarat, and two in Navi Mumbai, Maharashtra (USFDA certified). JIPL is recognised by the Government of India as a trading house and is ISO 9001:2008 and ISO 22000:2005 certified. It has four brands, namely Sunsmile, Farm Pearls, Season Pearls and My Taste.

Key financial indicators (audited)

Jabs International Private Limited	FY2023	FY2024	FY2025*
Operating income	1024.4	1259.4	1224.4
PAT	30.9	23.3	59.1
OPBDITA/OI	4.5%	3.4%	4.8%
PAT/OI	3.0%	1.9%	3.0%
Total outside liabilities/Tangible net worth (times)	0.5	0.6	0.4
Total debt/OPBDIT (times)	2.2	3.0	1.5
Interest coverage (times)	8.6	3.9	6.1

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore * Provisional data

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years		
	Type	Amount rated (Rs. crore)	Sep 29, 2025	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
				Jun 28, 2024	-	Mar 31, 2023
1 Fund based/Non-fund based – Pre and post-shipment credit (EPC/PCFC/FBP/FBD/ EBR)	Long-term/Short-term	118.0	[ICRA]A-(Stable)/[ICRA]A2+	[ICRA]A-(Stable)/[ICRA]A2+	-	[ICRA]A-(Stable)/[ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/Short-term – Fund based/Non-fund based – Pre-and post-shipment credit (EPC/PCFC/FBP/FBD/ EBR)	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term/Short-term – Fund based/Non-fund based – Pre and post-shipment credit (EPC/PCFC/FBP/FBD/ EBR)	NA	8.5%	NA	118.0	[ICRA]A-(Stable)/[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not applicable

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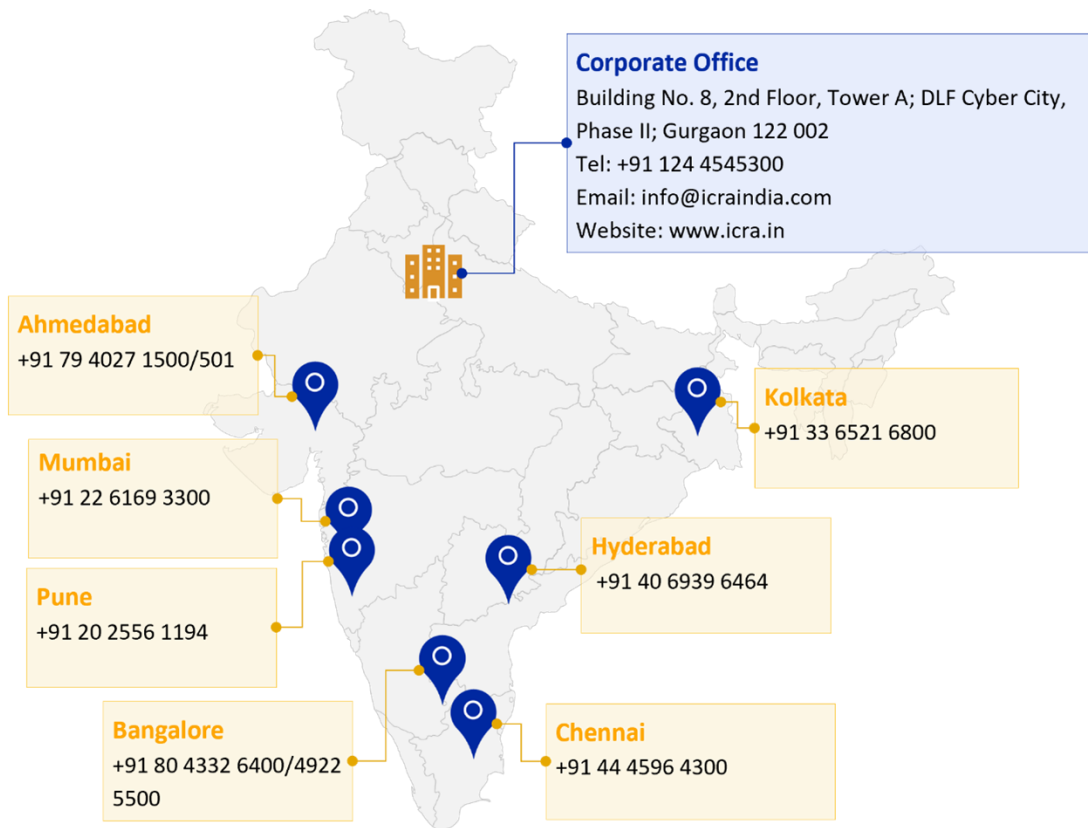
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